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Approved For Release 2001/08/15 : CIA-RDP78-04007A000500030043-7

Chief, Inspection Division, I&SS

5 June 1950

Acting Chief, Security Division, I&SS

Notification to Contractors of Employees Clearances

Reference: Memorandum from Chief, Inspection Division, to Chief, Security Division, dated 25 May 1950, subject as above.

It is not believed that contractors should be furnished with pre-contract security clearances for the purpose of discussing classified contracts. If such were adopted as the practice, then this Agency would be the recipient of many requests from private contractors for such clearances. Of these contractors, perhaps only a few would be actually the recipients of a contract from this Agency.

There can be no security objection to contractors discussing with CIA the products and services of their companies. If there is any question of security clearance in connection with such discussions, then it is believed that PSD/SSS should be informed that as a general principle there are no restrictions on our procurement people receiving information from any company which offers it.

Concerning the question of what to reply to contractors who have submitted Personnel Security Questionnaires, and with whom it is not intended a contract will be placed, it is believed the contractor should simply be told it is the policy of this Agency to confine its interest to those individuals only who will actually have knowledge of a classified contract.

With respect to the divulgence of classified contract information to representatives of private contractors before the actual contract is placed, the procurement people should use as a guide the security clearances which are now furnished to PSD/SSS through the Inspection Division. If such clearances are on file in the Procurement and Supply Division, then it is permissible for our procurement people to disclose classified information as necessary in connection with preliminary negotiations respecting a contract.

DOC	44	REV DATE	10-9-50	BY	006/49
ORIG COMP		DPI	31	TYPE	02
ORIG CLASS	Q	PAGES	1	REV CLASS	C
JUST	22	NEXT REV	2010	AUTH	HR 70-2

I & SS - CVB:mh

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